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Date:  
February 11, 2021

**Legend**

Foreign Parent =

FSub 1 =

FSub 2 =

FSub 3 =

FSub 4 =

FSub 5 =

FSub 6 =

FSub 7 =

FSub 8 =

FSub 9 =

FSub 10 =

Parent =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Sub 5 =

Sub 6 =

Sub 7 =

Sub 8 =

Sub 9 =

Sub 10 =

Sub 11 =

Sub 12 =

Sub 13 =

Sub 14 =

Sub 15 =

Sub 16 =

Sub 17 =

Sub 18 =

Sub 19 =

Sub 20 =

Sub 21 =

DRE 1 =

DRE 2 =

DRE 3 =

DRE 4 =

DRE 5 =

DRE 6 =

DRE 7 =

DRE 8 =

DRE 9 =

DRE 10 =

DRE 11 =

DRE 12 =

DRE 13 =

DRE 14 =

DRE 15 =

Business A =

Business B =

Business C =

Business D =

Business E =

Business F =

Business G =

Business H =

Business I =

Country A =

Dear :

This letter responds to your authorized representative's letter dated August 14, 2020, as supplemented by subsequent information and documentation, requesting rulings on

certain federal income tax consequences of a series of proposed transactions (the “Proposed Transaction,” as defined below). The material information submitted in that letter and in subsequent correspondence is summarized below.

This letter is issued pursuant to Rev. Proc. 2017-52, 2017-41 I.R.B. 283, regarding one or more “Covered Transactions” under sections 355 and 368 of the Internal Revenue Code (the “Code”). This Office expresses no opinion as to any issue not specifically addressed by the rulings below.

The rulings contained in this letter are based upon facts and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. This Office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

This Office has made no determination regarding whether each of the distributions in the Proposed Transaction: (i) satisfies the business purpose requirement of Treas. Reg. § 1.355-2(b); (ii) is used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see section 355(a)(1)(B) and Treas. Reg. § 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation, or any predecessor or successor of the distributing corporation or the controlled corporation, within the meaning of Treas. Reg. § 1.355-8 (see section 355(e)(2)(A)(ii) and Treas. Reg. § 1.355-7).

### **Summary of Facts**

Foreign Parent is a publicly traded foreign eligible entity (within the meaning of Treas. Reg. § 301.7701-3(a)) that is classified as a corporation for U.S. federal income tax purposes (an “eligible entity classified as a corporation”). Foreign Parent is the parent of a worldwide group of entities that is engaged in Business A, Business B, Business C, Business D, Business E, Business F, Business G, Business H, and Business I.

Foreign Parent owns all of the outstanding stock of FSub 1, a foreign eligible entity classified as a corporation.

FSub 1 owns all of the outstanding stock of FSub 2, FSub 3, FSub 4, FSub 5, FSub 6, FSub 7, FSub 8, FSub 9, and FSub 10, each of which is a foreign eligible entity classified as a corporation.

FSub 2 owns all of the outstanding stock of Parent, a domestic corporation. Parent is the common parent of an affiliated group of corporations that files a consolidated return for U.S. federal income tax purposes (the “Parent US Group”).

Parent owns all of the outstanding stock of Sub 1, Sub 2, Sub 3, Sub 4, Sub 5, Sub 6, Sub 7, and Sub 8, each of which is a domestic corporation. Parent also owns all of the interests in DRE 1, a domestic eligible entity that is disregarded as separate from its owner for U.S. federal income tax purposes (a “disregarded entity”). Parent and certain other members of the Parent US Group also own other entities that are not relevant to the Proposed Transaction.

Sub 1 owns all of the interests in Sub 9, a domestic eligible entity classified as a corporation. Sub 1 also owns all of the outstanding stock of Sub 10 and Sub 11, each of which is a domestic corporation. Sub 1 also owns all of the interests in DRE 2, DRE 3, DRE 4, DRE 5, DRE 6, DRE 7, DRE 8, DRE 9, and DRE 10, each of which is a domestic disregarded entity. Sub 9 owns all of the outstanding stock of Sub 12, a domestic corporation. Sub 12 owns all of the outstanding stock of Sub 13, a domestic corporation.

Sub 2 owns all of the interests in DRE 11, DRE 12, and DRE 13, each of which is a domestic disregarded entity.

Sub 3 owns all of the outstanding stock of Sub 14, a domestic corporation, and all of the interests in DRE 14, a domestic disregarded entity. DRE 14 owns all of the interests in DRE 15, a domestic disregarded entity.

Each of Sub 1, Sub 2, Sub 3, Sub 4, Sub 5, Sub 6, Sub 7, Sub 8, Sub 9, Sub 10, Sub 11, Sub 12, Sub 13, and Sub 14 is a member of the Parent US Group.

FSub 3 owns all of the outstanding stock of Sub 15, a domestic corporation.

FSub 4 owns all of the outstanding stock of Sub 16, a domestic corporation.

FSub 6 owns all of the outstanding stock of Sub 17, a domestic corporation. Sub 17 owns all of the outstanding stock of Sub 18, a domestic corporation.

FSub 7 owns all of the outstanding stock of Sub 19, a domestic corporation.

FSub 8 owns all of the outstanding stock of Sub 20, a domestic corporation.

FSub 9 owns all of the outstanding stock of Sub 21, a domestic corporation.

Financial information has been submitted in accordance with Revenue Procedure 2017-52 indicating that each of Business A, Business B, Business C, Business D, Business E, Business F, Business G, Business H, and Business I has had gross receipts and operating expenses representing the active conduct of a trade or business for each of the past five years.

Sub 16 and DRE 2 are engaged in Business A; Sub 18, DRE 1, DRE 11, DRE 12, and DRE 13 are engaged in Business B; Sub 2, Sub 4, Sub 5, and Sub 6 are engaged in Business C; Sub 7 and Sub 8 are engaged in Business D; Sub 9, Sub 10, Sub 11, Sub 12, DRE 3, DRE 4, DRE 5, DRE 6, DRE 7, DRE 8, DRE 9, and DRE 10 are engaged in Business E; Sub 13 is engaged in Business F; Sub 21 is engaged in Business G; DRE 14 and DRE 15 are engaged in Business H; and Sub 1 and Sub 14 are engaged in Business I. The Proposed Transaction is being undertaken to align entities engaged in the same line of business under a common ownership structure.

### **Proposed Transaction**

For what are represented to be valid business reasons, Parent proposes to engage in the following steps, which comprise the Proposed Transaction:

#### **Business A Restructuring**

- (1) Sub 1 will form Sub 22, a domestic corporation, and Sub 1 will contribute all of the interests in DRE 2 to Sub 22 in exchange for all of the stock of Sub 22 (the “Business A Contribution”).
- (2) Sub 1 will distribute all of the stock of Sub 22 to Parent (the “First Distribution”).
- (3) Parent will distribute all of the stock of Sub 22 to FSub 2 (the “Second Distribution”).
- (4) FSub 1 will form FSub 11, a Country A foreign eligible entity classified as a corporation, and FSub 2 will sell all of the stock of Sub 22 to FSub 11, in a transaction that is expected to be subject to section 304.
- (5) FSub 4 will sell all of the stock of Sub 16 to FSub 11, in a transaction that is expected to be subject to section 304.
- (6) FSub 11 will contribute all of the stock of Sub 16 to Sub 22 in exchange for additional Sub 22 stock.

#### **Business B Restructuring**

- (7) Sub 2 will form Sub 23, a domestic corporation, and Sub 2 will contribute all of the interests in DRE 11, DRE 12, and DRE 13 to Sub 23 in exchange for all of the stock of Sub 23 (the “First Business B Contribution”).
- (8) Sub 2 will distribute all of the stock of Sub 23 to Parent (the “Third Distribution”).
- (9) Parent will contribute all of the interests in DRE 1 to Sub 23 in exchange for additional Sub 23 stock (the “Second Business B Contribution”).

(10) Parent will distribute all of the stock of Sub 23 to FSub 2 (the “Fourth Distribution”).

(11) FSub 2 will sell all of the stock of Sub 23 to FSub 5, in a transaction that is expected to be subject to section 304.

(12) Sub 17 will distribute all of the stock of Sub 18 to FSub 6; FSub 6 will sell all of the stock of Sub 18 to FSub 5, in a transaction that is expected to be subject to section 304; and FSub 5 will contribute all of the stock of Sub 18 to Sub 23 in exchange for additional Sub 23 stock.

#### Business C Restructuring

(13) Parent will form Sub 24, a domestic corporation, and Parent will contribute all of the stock of Sub 2, Sub 4, Sub 5, and Sub 6 to Sub 24 in exchange for all of the stock of Sub 24 (the “Business C Contribution”).

(14) Parent will distribute all of the stock of Sub 24 to FSub 2 (the “Fifth Distribution”).

(15) FSub 2 will sell all of the stock of Sub 24 to FSub 7, in a transaction that is expected to be subject to section 304.

(16) Sub 24 will merge with and into Sub 19, with Sub 19 surviving.

#### Business D Restructuring

(17) Parent will form Sub 25, a domestic corporation, and Parent will contribute all of the stock of Sub 7 and Sub 8 to Sub 25 in exchange for all of the stock of Sub 25 (the “Business D Contribution”).

(18) Parent will distribute all of the stock of Sub 25 to FSub 2 (the “Sixth Distribution”).

(19) FSub 2 will sell all of the stock of Sub 25 to FSub 4, in a transaction that is expected to be subject to section 304.

#### Business E Restructuring

(20) Sub 1 will distribute all of the stock of Sub 9 to Parent (the “Seventh Distribution”).

(21) Sub 1 will form Sub 26, a domestic corporation, and Sub 1 will contribute all of the stock of Sub 10 and Sub 11, as well as all of the interests in DRE 3, DRE 4, DRE 5, DRE 6, DRE 7, DRE 8, DRE 9, and DRE 10, to Sub 26 in exchange for all of the stock of Sub 26 (the “First Business E Contribution”).

(22) Sub 1 will distribute all of the stock of Sub 26 to Parent (the “Eighth Distribution”).

(23) Parent will contribute all of the stock of Sub 9 to Sub 26 in exchange for additional Sub 26 stock (the "Second Business E Contribution").

(24) Parent will distribute all of the stock of Sub 26 to FSub 2 (the "Ninth Distribution").

(25) FSub 2 will sell all of the stock of Sub 26 to FSub 3, in a transaction that is expected to be subject to section 304.

(26) Sub 26 will merge with and into Sub 15, with Sub 15 surviving.

#### Business F Restructuring

(27) Sub 12 will distribute all of the stock of Sub 13 to Sub 9 (the "Tenth Distribution").

(28) Sub 9 will distribute all of the stock of Sub 13 to Sub 15 (the "Eleventh Distribution").

(29) Sub 15 will distribute all of the stock of Sub 13 to FSub 3 (the "Twelfth Distribution").

(30) FSub 3 will sell all of the stock of Sub 13 to FSub 8, in a transaction that is expected to be subject to section 304.

(31) FSub 8 will contribute all of the stock of Sub 13 to Sub 20 in exchange for additional Sub 20 stock.

#### Business G Restructuring

(32) Parent will distribute all of the stock of Sub 3 to FSub 2 (the "Thirteenth Distribution").

(33) Sub 3 will distribute all of the stock of Sub 14 to FSub 2 (the "Fourteenth Distribution").

(34) FSub 2 will sell all of the stock of Sub 3 to FSub 9, in a transaction that is expected to be subject to section 304.

(35) Sub 3 will merge with and into Sub 21, with Sub 3 surviving.

#### Business H Restructuring

(36) Sub 3 will form Sub 27, a domestic corporation, and Sub 3 will contribute all of the interests in DRE 14 to Sub 27 in exchange for all of the stock of Sub 27 (the "Business H Contribution").

(37) DRE 14 will distribute all of the interests in DRE 15 to Sub 27 in a distribution intended to be disregarded for federal income tax purposes.

(38) Sub 3 will distribute all of the stock of Sub 27 to FSub 9 (the “Fifteenth Distribution”).

(39) FSub 9 will sell all of the stock of Sub 27 to FSub 10, in a transaction that is expected to be subject to section 304.

### Business I Restructuring

(40) FSub 2 will contribute all of the stock of Sub 14 to Parent in exchange for additional Parent stock.

## **Representations**

Parent has made the following representations with respect to the Proposed Transaction:

### First Distribution

With respect to the First Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (a) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (b) Parent has not made the following representations, which do not apply to the First Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

### Second Distribution

With respect to the Second Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (c) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (d) Parent has not made the following representations, which do not apply to the Second Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

### Third Distribution

With respect to the Third Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (e) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (f) Parent has not made the following representations, which do not apply to the Third Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

#### Fourth Distribution

With respect to the Fourth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (g) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (h) Parent has not made the following representations, which do not apply to the Fourth Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

#### Fifth Distribution

With respect to the Fifth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (i) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (j) Parent has not made the following representations, which do not apply to the Fifth Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

#### Sixth Distribution

With respect to the Sixth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (k) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (l) Parent has not made the following representations, which do not apply to the Sixth Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

#### Seventh Distribution

With respect to the Seventh Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (m) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (n) Parent has not made the following representations, which do not apply to the Seventh Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

#### Eighth Distribution

With respect to the Eighth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (o) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (p) Parent has not made the following representations, which do not apply to the Eighth Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

#### Ninth Distribution

With respect to the Ninth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (q) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (r) Parent has not made the following representations, which do not apply to the Ninth Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

#### Tenth Distribution

With respect to the Tenth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (s) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (t) Parent has not made the following representations, which do not apply to the Tenth Distribution: Representations 18; 19; 20; 24; 25; 35; 36; 38; and 39.

#### Eleventh Distribution

With respect to the Eleventh Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (u) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (v) Parent has not made the following representations, which do not apply to the Eleventh Distribution: Representations 18; 19; 20; 24; 25; 35; 36; 38; and 39.

#### Twelfth Distribution

With respect to the Twelfth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (w) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (x) Parent has not made the following representations, which do not apply to the Twelfth Distribution: Representations 18; 19; 20; 24; 25; 35; 36; 38; and 39.

#### Thirteenth Distribution

With respect to the Thirteenth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (y) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (z) Parent has not made the following representations, which do not apply to the Thirteenth Distribution: Representations 18; 19; 20; 24; 25; 35; 36; 38; and 39.

#### Fourteenth Distribution

With respect to the Fourteenth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

- (aa) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).
- (bb) Parent has not made the following representations, which do not apply to the Fourteenth Distribution: Representations 18; 19; 20; 24; 25; 35; 36; 38; and 39.

#### Fifteenth Distribution

With respect to the Fifteenth Distribution, except as set forth below, Parent has made all the representations in section 3 of the Appendix to Rev. Proc. 2017-52.

(cc) Parent has made the following alternative representations: Representations 3(a); 8(a); 11(a); 15(a); 22(a); 31(a); and 41(a).

(dd) Parent has not made the following representations, which do not apply to the Fifteenth Distribution: Representations 19; 20; 24; 25; 35; 36; 38; and 39.

### **Rulings**

Based solely on the information and representations submitted, we rule as follows regarding the Proposed Transaction:

#### First Distribution

- (1) The Business A Contribution and the First Distribution, together, will be a reorganization within the meaning of section 368(a)(1)(D). Sub 1 and Sub 22 will each be a “party to the reorganization” within the meaning of section 368(b).
- (2) Sub 1 will not recognize gain or loss on the Business A Contribution. Section 361(a).
- (3) Sub 22 will not recognize gain or loss on the Business A Contribution. Section 1032(a).
- (4) Sub 22’s basis in each asset received in the Business A Contribution will be the same as the basis of such asset in the hands of Sub 1 immediately before the Business A Contribution. Section 362(b).
- (5) Sub 22’s holding period in each asset received in the Business A Contribution will include the period during which Sub 1 held the asset. Section 1223(2).
- (6) Sub 1 will not recognize gain or loss on the First Distribution. Section 361(c).
- (7) Parent will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 22 stock in the First Distribution. Section 355(a).
- (8) The aggregate basis of the Sub 1 stock and the Sub 22 stock in the hands of Parent immediately after the First Distribution will equal the aggregate basis of the Sub 1 stock held by Parent immediately before the First Distribution, allocated between the stock of Sub 22 and Sub 1 in proportion to the fair market value of each immediately following the First Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).
- (9) Parent’s holding period in the Sub 22 stock received will include the holding period of the Sub 1 stock with respect to which the First Distribution is made, provided that the

Sub 1 stock is held as a capital asset on the date of the First Distribution. Section 1223(1).

(10) Earnings and profits (“E&P”), if any, will be allocated between Sub 1 and Sub 22 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

### Second Distribution

(11) Parent will not recognize gain or loss on the Second Distribution. Section 355(c)(1).

(12) FSub 2 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 22 stock in the Second Distribution. Section 355(a).

(13) The aggregate basis of the Parent stock and the Sub 22 stock in the hands of FSub 2 immediately after the Second Distribution will equal the aggregate basis of the Parent stock held by FSub 2 immediately before the Second Distribution, allocated between the stock of Sub 22 and Parent in proportion to the fair market value of each immediately following the Second Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(14) FSub 2’s holding period in the Sub 22 stock received will include the holding period of the Parent stock with respect to which the Second Distribution is made, provided that the Parent stock is held as a capital asset on the date of the Second Distribution. Section 1223(1).

(15) E&P, if any, will be allocated between Parent and Sub 22 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

### Third Distribution

(16) The First Business B Contribution and the Third Distribution, together, will be a reorganization within the meaning of section 368(a)(1)(D). Sub 2 and Sub 23 will each be a “party to the reorganization” within the meaning of section 368(b).

(17) Sub 2 will not recognize gain or loss on the First Business B Contribution. Section 361(a).

(18) Sub 23 will not recognize gain or loss on the First Business B Contribution. Section 1032(a).

(19) Sub 23’s basis in each asset received in the First Business B Contribution will be the same as the basis of such asset in the hands of Sub 2 immediately before the First Business B Contribution. Section 362(b).

(20) Sub 23's holding period in each asset received in the First Business B Contribution will include the period during which Sub 2 held the asset. Section 1223(2).

(21) Sub 2 will not recognize gain or loss on the Third Distribution. Section 361(c).

(22) Parent will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 23 stock in the Third Distribution. Section 355(a).

(23) The aggregate basis of the Sub 2 stock and the Sub 23 stock in the hands of Parent immediately after the Third Distribution will equal the aggregate basis of the Sub 2 stock held by Parent immediately before the Third Distribution, allocated between the stock of Sub 23 and Sub 2 in proportion to the fair market value of each immediately following the Third Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(24) Parent's holding period in the Sub 23 stock received will include the holding period of the Sub 2 stock with respect to which the Third Distribution is made, provided that the Sub 2 stock is held as a capital asset on the date of the Third Distribution. Section 1223(1).

(25) E&P, if any, will be allocated between Sub 2 and Sub 23 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

#### Fourth Distribution

(26) The Second Business B Contribution and the Fourth Distribution, together, will be a reorganization within the meaning of section 368(a)(1)(D). Parent and Sub 23 will each be a "party to the reorganization" within the meaning of section 368(b).

(27) Parent will not recognize gain or loss on the Second Business B Contribution. Section 361(a).

(28) Sub 23 will not recognize gain or loss on the Second Business B Contribution. Section 1032(a).

(29) Sub 23's basis in each asset received in the Second Business B Contribution will be the same as the basis of such asset in the hands of Parent immediately before the Second Business B Contribution. Section 362(b).

(30) Sub 23's holding period in each asset received in the Second Business B Contribution will include the period during which Parent held the asset. Section 1223(2).

(31) Parent will not recognize gain or loss on the Fourth Distribution. Section 361(c).

(32) FSub 2 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 23 stock in the Fourth Distribution. Section 355(a).

(33) The aggregate basis of the Parent stock and the Sub 23 stock in the hands of FSub 2 immediately after the Fourth Distribution will equal the aggregate basis of the Parent stock held by FSub 2 immediately before the Fourth Distribution, allocated between the stock of Sub 23 and Parent in proportion to the fair market value of each immediately following the Fourth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(34) FSub 2's holding period in the Sub 23 stock received will include the holding period of the Parent stock with respect to which the Fourth Distribution is made, provided that the Parent stock is held as a capital asset on the date of the Fourth Distribution. Section 1223(1).

(35) E&P, if any, will be allocated between Parent and Sub 23 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

#### Fifth Distribution

(36) The Business C Contribution and the Fifth Distribution, together, will be a reorganization within the meaning of section 368(a)(1)(D). Parent and Sub 24 will each be a "party to the reorganization" within the meaning of section 368(b).

(37) Parent will not recognize gain or loss on the Business C Contribution. Section 361(a).

(38) Sub 24 will not recognize gain or loss on the Business C Contribution. Section 1032(a).

(39) Sub 24's basis in each asset received in the Business C Contribution will be the same as the basis of such asset in the hands of Parent immediately before the Business C Contribution. Section 362(b).

(40) Sub 24's holding period in each asset received in the Business C Contribution will include the period during which Parent held the asset. Section 1223(2).

(41) Parent will not recognize gain or loss on the Fifth Distribution. Section 361(c).

(42) FSub 2 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 24 stock in the Fifth Distribution. Section 355(a).

(43) The aggregate basis of the Parent stock and the Sub 24 stock in the hands of FSub 2 immediately after the Fifth Distribution will equal the aggregate basis of the

Parent stock held by FSub 2 immediately before the Fifth Distribution, allocated between the stock of Sub 24 and Parent in proportion to the fair market value of each immediately following the Fifth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(44) FSub 2's holding period in the Sub 24 stock received will include the holding period of the Parent stock with respect to which the Fifth Distribution is made, provided that the Parent stock is held as a capital asset on the date of the Fifth Distribution. Section 1223(1).

(45) E&P, if any, will be allocated between Parent and Sub 24 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

#### Sixth Distribution

(46) The Business D Contribution and the Sixth Distribution, together, will be a reorganization within the meaning of section 368(a)(1)(D). Parent and Sub 25 will each be a "party to the reorganization" within the meaning of section 368(b).

(47) Parent will not recognize gain or loss on the Business D Contribution. Section 361(a).

(48) Sub 25 will not recognize gain or loss on the Business D Contribution. Section 1032(a).

(49) Sub 25's basis in each asset received in the Business D Contribution will be the same as the basis of such asset in the hands of Parent immediately before the Business D Contribution. Section 362(b).

(50) Sub 25's holding period in each asset received in the Business D Contribution will include the period during which Parent held the asset. Section 1223(2).

(51) Parent will not recognize gain or loss on the Sixth Distribution. Section 361(c).

(52) FSub 2 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 25 stock in the Sixth Distribution. Section 355(a).

(53) The aggregate basis of the Parent stock and the Sub 25 stock in the hands of FSub 2 immediately after the Sixth Distribution will equal the aggregate basis of the Parent stock held by FSub 2 immediately before the Sixth Distribution, allocated between the stock of Sub 25 and Parent in proportion to the fair market value of each immediately following the Sixth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(54) FSub 2's holding period in the Sub 25 stock received will include the holding period of the Parent stock with respect to which the Sixth Distribution is made, provided that the Parent stock is held as a capital asset on the date of the Sixth Distribution. Section 1223(1).

(55) E&P, if any, will be allocated between Parent and Sub 25 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

#### Seventh Distribution

(56) Sub 1 will not recognize gain or loss on the Seventh Distribution. Section 355(c)(1).

(57) Parent will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 9 stock in the Seventh Distribution. Section 355(a).

(58) The aggregate basis of the Sub 1 stock and the Sub 9 stock in the hands of Parent immediately after the Seventh Distribution will equal the aggregate basis of the Sub 1 stock held by Parent immediately before the Seventh Distribution, allocated between the stock of Sub 9 and Sub 1 in proportion to the fair market value of each immediately following the Seventh Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(59) Parent's holding period in the Sub 9 stock received will include the holding period of the Sub 1 stock with respect to which the Seventh Distribution is made, provided that the Sub 1 stock is held as a capital asset on the date of the Seventh Distribution. Section 1223(1).

(60) E&P, if any, will be allocated between Sub 1 and Sub 9 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

#### Eighth Distribution

(61) The First Business E Contribution and the Eighth Distribution, together, will be a reorganization within the meaning of section 368(a)(1)(D). Sub 1 and Sub 26 will each be a "party to the reorganization" within the meaning of section 368(b).

(62) Sub 1 will not recognize gain or loss on the First Business E Contribution. Section 361(a).

(63) Sub 26 will not recognize gain or loss on the First Business E Contribution. Section 1032(a).

(64) Sub 26's basis in each asset received in the First Business E Contribution will be the same as the basis of such asset in the hands of Sub 1 immediately before the First Business E Contribution. Section 362(b).

(65) Sub 26's holding period in each asset received in the First Business E Contribution will include the period during which Sub 1 held the asset. Section 1223(2).

(66) Sub 1 will not recognize gain or loss on the Eighth Distribution. Section 361(c).

(67) Parent will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 26 stock in the Eighth Distribution. Section 355(a).

(68) The aggregate basis of the Sub 1 stock and the Sub 26 stock in the hands of Parent immediately after the Eighth Distribution will equal the aggregate basis of the Sub 1 stock held by Parent immediately before the Eighth Distribution, allocated between the stock of Sub 26 and Sub 1 in proportion to the fair market value of each immediately following the Eighth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(69) Parent's holding period in the Sub 26 stock received will include the holding period of the Sub 1 stock with respect to which the Eighth Distribution is made, provided that the Sub 1 stock is held as a capital asset on the date of the Eighth Distribution. Section 1223(1).

(70) E&P, if any, will be allocated between Sub 1 and Sub 26 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

#### Ninth Distribution

(71) The Second Business E Contribution and the Ninth Distribution, together, will be a reorganization within the meaning of section 368(a)(1)(D). Parent and Sub 26 will each be a "party to the reorganization" within the meaning of section 368(b).

(72) Parent will not recognize gain or loss on the Second Business E Contribution. Section 361(a).

(73) Sub 26 will not recognize gain or loss on the Second Business E Contribution. Section 1032(a).

(74) Sub 26's basis in each asset received in the Second Business E Contribution will be the same as the basis of such asset in the hands of Parent immediately before the Second Business E Contribution. Section 362(b).

(75) Sub 26's holding period in each asset received in the Second Business E Contribution will include the period during which Parent held the asset. Section 1223(2).

(76) Parent will not recognize gain or loss on the Ninth Distribution. Section 361(c).

(77) FSub 2 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 26 stock in the Ninth Distribution. Section 355(a).

(78) The aggregate basis of the Parent stock and the Sub 26 stock in the hands of FSub 2 immediately after the Ninth Distribution will equal the aggregate basis of the Parent stock held by FSub 2 immediately before the Ninth Distribution, allocated between the stock of Sub 26 and Parent in proportion to the fair market value of each immediately following the Ninth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(79) FSub 2's holding period in the Sub 26 stock received will include the holding period of the Parent stock with respect to which the Ninth Distribution is made, provided that the Parent stock is held as a capital asset on the date of the Ninth Distribution. Section 1223(1).

(80) E&P, if any, will be allocated between Parent and Sub 26 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

#### Tenth Distribution

(81) Sub 12 will not recognize gain or loss on the Tenth Distribution. Section 355(c)(1).

(82) Sub 9 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 13 stock in the Tenth Distribution. Section 355(a).

(83) The aggregate basis of the Sub 12 stock and the Sub 13 stock in the hands of Sub 9 immediately after the Tenth Distribution will equal the aggregate basis of the Sub 12 stock held by Sub 9 immediately before the Tenth Distribution, allocated between the stock of Sub 13 and Sub 12 in proportion to the fair market value of each immediately following the Tenth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(84) Sub 9's holding period in the Sub 13 stock received will include the holding period of the Sub 12 stock with respect to which the Tenth Distribution is made, provided that the Sub 12 stock is held as a capital asset on the date of the Tenth Distribution. Section 1223(1).

(85) E&P, if any, will be allocated between Sub 12 and Sub 13 in accordance with section 312(h) and Treas. Reg. § 1.312-10(a).

Eleventh Distribution

(86) Sub 9 will not recognize gain or loss on the Eleventh Distribution. Section 355(c)(1).

(87) Sub 15 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 13 stock in the Eleventh Distribution. Section 355(a).

(88) The aggregate basis of the Sub 9 stock and the Sub 13 stock in the hands of Sub 15 immediately after the Eleventh Distribution will equal the aggregate basis of the Sub 9 stock held by Sub 15 immediately before the Eleventh Distribution, allocated between the stock of Sub 13 and Sub 9 in proportion to the fair market value of each immediately following the Eleventh Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(89) Sub 15's holding period in the Sub 13 stock received will include the holding period of the Sub 9 stock with respect to which the Eleventh Distribution is made, provided that the Sub 9 stock is held as a capital asset on the date of the Eleventh Distribution. Section 1223(1).

(90) E&P, if any, will be allocated between Sub 9 and Sub 13 in accordance with section 312(h) and Treas. Reg. § 1.312-10(a).

Twelfth Distribution

(91) Sub 15 will not recognize gain or loss on the Twelfth Distribution. Section 355(c)(1).

(92) FSub 3 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 13 stock in the Twelfth Distribution. Section 355(a).

(93) The aggregate basis of the Sub 15 stock and the Sub 13 stock in the hands of FSub 3 immediately after the Twelfth Distribution will equal the aggregate basis of the Sub 15 stock held by FSub 3 immediately before the Twelfth Distribution, allocated between the stock of Sub 13 and Sub 15 in proportion to the fair market value of each immediately following the Twelfth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(94) FSub 3's holding period in the Sub 13 stock received will include the holding period of the Sub 15 stock with respect to which the Twelfth Distribution is made, provided that the Sub 15 stock is held as a capital asset on the date of the Twelfth Distribution. Section 1223(1).

(95) E&P, if any, will be allocated between Sub 15 and Sub 13 in accordance with section 312(h) and Treas. Reg. § 1.312-10(a).

#### Thirteenth Distribution

(96) Parent will not recognize gain or loss on the Thirteenth Distribution. Section 355(c)(1).

(97) FSub 2 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 3 stock in the Thirteenth Distribution. Section 355(a).

(98) The aggregate basis of the Parent stock and the Sub 3 stock in the hands of FSub 2 immediately after the Thirteenth Distribution will equal the aggregate basis of the Parent stock held by FSub 2 immediately before the Thirteenth Distribution, allocated between the stock of Sub 3 and Parent in proportion to the fair market value of each immediately following the Thirteenth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(99) FSub 2's holding period in the Sub 3 stock received will include the holding period of the Parent stock with respect to which the Thirteenth Distribution is made, provided that the Parent stock is held as a capital asset on the date of the Thirteenth Distribution. Section 1223(1).

(100) E&P, if any, will be allocated between Parent and Sub 3 in accordance with section 312(h) and Treas. Reg. §§ 1.312-10(a) and 1.1502-33, as applicable.

#### Fourteenth Distribution

(101) Sub 3 will not recognize gain or loss on the Fourteenth Distribution. Section 355(c)(1).

(102) FSub 2 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 14 stock in the Fourteenth Distribution. Section 355(a).

(103) The aggregate basis of the Sub 3 stock and the Sub 14 stock in the hands of FSub 2 immediately after the Fourteenth Distribution will equal the aggregate basis of the Sub 3 stock held by FSub 2 immediately before the Fourteenth Distribution, allocated between the stock of Sub 14 and Sub 3 in proportion to the fair market value of each immediately following the Fourteenth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(104) FSub 2's holding period in the Sub 14 stock received will include the holding period of the Sub 3 stock with respect to which the Fourteenth Distribution is made, provided that the Sub 3 stock is held as a capital asset on the date of the Fourteenth Distribution. Section 1223(1).

(105) E&P, if any, will be allocated between Sub 3 and Sub 14 in accordance with section 312(h) and Treas. Reg. § 1.312-10(a).

#### Fifteenth Distribution

(106) The Business H Contribution and the Fifteenth Distribution, together, will be a reorganization within the meaning of section 368(a)(1)(D). Sub 3 and Sub 27 will each be a “party to the reorganization” within the meaning of section 368(b).

(107) Sub 3 will not recognize gain or loss on the Business H Contribution. Section 361(a).

(108) Sub 27 will not recognize gain or loss on the Business H Contribution. Section 1032(a).

(109) Sub 27’s basis in each asset received in the Business H Contribution will be the same as the basis of such asset in the hands of Sub 3 immediately before the Business H Contribution. Section 362(b).

(110) Sub 27’s holding period in each asset received in the Business H Contribution will include the period during which Sub 3 held the asset. Section 1223(2).

(111) Sub 3 will not recognize gain or loss on the Fifteenth Distribution. Section 361(c).

(112) FSub 9 will recognize no gain or loss (and no amount will be includable in income) upon receipt of Sub 27 stock in the Fifteenth Distribution. Section 355(a).

(113) The aggregate basis of the Sub 3 stock and the Sub 27 stock in the hands of FSub 9 immediately after the Fifteenth Distribution will equal the aggregate basis of the Sub 3 stock held by FSub 9 immediately before the Fifteenth Distribution, allocated between the stock of Sub 27 and Sub 3 in proportion to the fair market value of each immediately following the Fifteenth Distribution in accordance with Treas. Reg. § 1.358-2(a). Section 358(a)(1) and (b).

(114) FSub 9’s holding period in the Sub 27 stock received will include the holding period of the Sub 3 stock with respect to which the Fifteenth Distribution is made, provided that the Sub 3 stock is held as a capital asset on the date of the Fifteenth Distribution. Section 1223(1).

(115) E&P, if any, will be allocated between Sub 3 and Sub 27 in accordance with section 312(h) and Treas. Reg. § 1.312-10(a).

#### **Caveat**

Except as expressly provided herein, no opinion is expressed or implied concerning the tax treatment of the Proposed Transaction under any provision of the Code and regulations or the tax treatment of any condition existing at the time of, or effects resulting from, the Proposed Transaction that is not specifically addressed by the above rulings. In particular, no opinion is expressed regarding the applicability of section 304.

### **Procedural Matters**

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the power of attorney on file with this Office, a copy of this letter is being sent to your authorized representatives.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Sincerely,

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Aglaia Ovtchinnikova  
Acting Assistant to the Branch Chief, Branch 5  
Office of Associate Chief Counsel (Corporate)

cc: